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FM AIT TAIPEI  
TO RUEHC/SECSTATE WASHDC 2960  
INFO RUEHBJ/AMEMBASSY BEIJING 5913  
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UNCLAS AIT TAIPEI 003799

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E.O. 12958: N/A

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SUBJECT: MEDIA REACTION: INDICTMENT OF FIRST LADY WU SHU-CHEN, U.S.  
ARMS SALES TO TAIWAN

1. Summary: Taiwan's major Chinese-language dailies continued to focus their coverage November 7 on the aftermath of President Chen Shui-bian's televised address to the Taiwan people Sunday evening with regard to the indictments of First Lady Wu Shu-chen and three presidential aides. News coverage also focused on a former Presidential Office deputy secretary-general, who was released on NT\$6 million bail Monday. The pro-status quo "China Times" front-paged the results of a survey which showed that only 13 percent of those polled said they believe President Chen's clarification on his role in the Presidential Office Allowance for State Affairs case. A "United Daily News" poll also showed that 55 percent of respondents said they believe President Chen was lying in his clarification, and 63 percent of respondents said they believe President Chen is corrupt. Almost all the papers reported on inside pages that the Legislative Yuan's National Defense Committee agreed Monday to pass the budget of NT\$6.1 billion [US\$18787 million] for P-3C anti-submarine aircraft in the Ministry of National Defense's classified budget for FY 2007.

2. In terms of editorials and commentaries, most papers continued to editorialize on President Chen's address to the people Sunday on his role in the Presidential account for state affairs case. The pro-Green papers remained confident of Chen's assertions, while the pro-Blue papers continued to criticize Chen and his alleged lies. The limited-circulation, pro-independence, English-language "Taiwan News" devoted its entire page 8 to an opinion forum prepared the paper's Editorial Department on the U.S. arms sales to Taiwan and AIT Taipei Director Stephen Young's press conference on October 26. The forum criticized KMT Chairman Ma Ying-jeou and the pan-Blue camp for purposely blocking the U.S. arms sales to Taiwan. End summary.

3. Indictment of First Lady Wu Shu-chen

A) "Why Doesn't Each Side Back Down a Little?"

The "Free Talk" column in the pro-independence "Liberty Times" [circulation: 600,000] noted (11/7):

"A-Bian reported to his people about the State Affairs Fund case and guaranteed that he will resign if [his wife] is found guilty in an initial trial on corruption charges. The entire Blue camp lashed out strongly at [Chen's remarks]. But if one looks at [Chen's statement] fairly, it was actually an alternative that has, comparatively speaking, taken the whole current political situation into consideration. If the Blue camp fails to even accept this bottom line, it will prove that their opposition to Bian is nothing but hatred and that they have total disregard for right or wrong, for law, reason, and emotions, so long as Bian is ousted. ..."

B) "Should He Stay or Should He Go Now?"

The pro-independence, English-language "Taipei Times" [circulation:

30,000] editorialized (11/7):

"... Nevertheless, Chen's position is an extremely problematic one, as whatever choice he makes will do serious harm to the nation's democratic development and localization movement. If he decides to stay on, survives the recall bid and carries on with his duties until the first lady's trial, he will probably scupper any hope the DPP has for next month's mayoral elections. In addition, we can look forward to several more months of political showboating and legislative deadlock, although the truth is that this would have been the case regardless of the prosecutor's findings. ... But stepping down before any trial would be akin to admitting his family's guilt. Chen would, to use his words, be committing 'political suicide.' He would also deal a huge victory to the pro-China camp, as it would be a surrender to the pan-blue media's war of attrition and their long-standing campaign to deal a fatal blow to both Chen and the localization movement. ... It is 16 months until the next presidential election and tough times and tough decisions lie ahead. But, 16 months is a long time in politics, and memories in Taiwan are unbelievably short. How else could people believe that the pan-blue camp is the answer to Taiwan's corruption woes?"

C) "Truth Must Come Before Politics"

The pro-independence, English-language "Taiwan News" [circulation: 20,000] editorialized (11/7):

"... While Chen's gambit intended on a personal level to defend the integrity of himself and his spouse, on an institutional level, Chen's pledge aimed to ensure that the fundamental solution to the crisis is based on the proper functioning of the justice system to determine whether he or his wife are in fact guilty or innocent of these charges and not through mechanisms of political struggle, such as a recall. On a political level, facing a polarized Taiwan society in which as many as half of the nation's voters have no ARMS SALES TO TAIWAN

confidence in him, President Chen's objective was clearly to ease the shock and reduce the doubts of 'pan-green' and DPP supporters. ... Moreover, as we stressed yesterday, an indictment does not certify guilt, a judgment that must be made by the courts. Thus, Friday's indictment does not prove that Chen is a corrupt president or that the DPP government is a corrupt administration and provides no further legitimacy for demands for Chen's resignation made by the pan-KMT camp or other political opponents. ... Setting aside the question of the innocence or guilt of the president and the first lady and their former aides, Chen's redirection of the case from the political to the judicial arena is a positive move for Taiwan's democracy and the rule of law. ..."

D) "Does DPP Dare to Allow Its Legislators to Cast Votes on the Presidential Recall Motion?"

The pro-status quo "China Times" [circulation: 400,000] editorialized (11/7):

"President Chen Shui-bian has now postponed the time for him to step down to the moment when a judgment in an initial trial is produced, and the DPP immediately echoed his remarks. Even though there were many excuses, lies, and loopholes that could be found in his one-hour 'Report to the People,' many DPP members still regard him as the one and only life preserver. The only thing that they forgot was the political ethics and political responsibility of a leader to maintain his credibility. Chen's public address sounded very similar to [that of] a criminal suspect who cries out loudly to defend himself, or a lawyer who has tried every means he can to try to defend a criminal defendant. He did not sound like a president who has taken the Taiwan people's interests into consideration. During his entire address, he only argued the parts that will be favorable to his case and said nothing with regard to his political ethics and political responsibility. ... What we are really concerned about is: With what criteria of political ethics and political responsibility is the ruling DPP, having listened to this unabashed and shameless public address, going to view this future criminal suspect and lawyer as well as president who clings tightly to his presidency, who cares about nothing but protecting himself, and who has no regard for Taiwan or his party?"

E) "What to Do about Chen?"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (11/7):

"... Chen vowed to step down only if his wife is found guilty of corruption, a last-ditch attempt to prove his innocence, which is nothing but a delaying tactic. Legal proceedings in this case could take more than a year. By then, his term of office, which expires in March 2008, would already be nearing its end. Chen's legal and political troubles are opening a deep rift among his core supporters. He has already begun to lose crucial backing from legislative allies, including some from the ruling DPP. But the president has lost the people's trust and respect. He can no longer lead the people at home nor effectively represent the country abroad. The issue that now remains is a forced resignation. If he doesn't go sooner, Taiwan faces two more years of trouble."

#### 4. U.S. Arms Sales to Taiwan

A) "A National Leader Cannot Ignore National Interests"

Yen Chia-tong, a senior media worker, noted on the "Forum" prepared by the Editorial Department of the pro-independence, English-language "Taiwan News" [circulation: 20,000] (11/7):

"The arms procurement bill authorizing Taiwan to buy weapons from the United States is still stuck in the Legislative Yuan as part of an overall budget proposal. The slow pace at which the bill is being dealt with has prompted as rare public condemnation from American Institute in Taiwan Director Stephen Young. Young expressed the hope that the bill would be passed by the end of this session, or else there would be consequences to pay. This type of unabated threat is significant as the U.S. has seemingly bypassed the ruling Democratic Progressive Party and laid down the gauntlet to the opposition Kuomintang and People First Party. This is a clear showdown and a stern test for the leader of the opposition forces, KMT Chairman Ma Ying-jeou. ... The emotional and seemingly tough stance taken by opposition legislators is an empty threat. After the mayoral elections in Taipei and Kaohsiung, the likelihood that the arms procurement bill will be passed is very high. This is because ultimately these opposition political leaders all remember what they originally promised the United States.

"The reason Young mentioned the "fall" deadline was in response to a pledge Ma made himself during his recent visit to the United States where he was accorded a high-level reception. Who could have  
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predicted that by the end of the fall Ma's pledge would be so hard to carry through? This situation has not only cast doubt over Ma's leadership domestically, the United States has its questions as well concerning the man most likely to become president here in 2008.

...

"Aside from considerations concerning the international status quo, you cannot overlook the direction in which a leader takes his or her nation. U.S. officials have all but given up on Chen Shui-bian, believing he can do nothing of significance in the remaining year and a half of his term. They originally trusted Ma and find it hard to fathom why he is having trouble convincing the majority of KMT legislators to pass the bill. Young's comments were more than a mere threat but could be conceived as an impetus to get something done. U.S. officials are finding it hard to understand how a political leader who cannot bring about long-term benefits for his country can ever become the leader of the nation! ..."

B) "U.S. Fed up with Pan-Blue Split"

Chu His-ting, a senior media worker, noted on the "Forum" prepared by the Editorial Department of the pro-independence, English-language "Taiwan News" [circulation: 20,000] (11/7):

"... Although the Kuomintang denies it, many political observers interpreted Young's remarks as being directed at Ma. In an almost threatening tone, Young especially noted that the U.S. would be

watching to see who blocked the arms procurement bill, and that if the Legislative Yuan did not pass it during this session, then Taiwan would not necessarily be able to buy any weapons from the U.S. after 2008 even if it wanted to. Rather than Young saying it as the People First Party blocking the bill through a legislative boycott, it was implied that Ma Ying-jeou was unable to unite pan-blue factions, thus enabling PFP Chairman James Soong to get what he wanted. ...

"Young's tough comments caused a reaction among pan-blue stalwarts. ... Moreover, Young's comments have given the Chen administration a little more room to maneuver. One sign of this may have come at a video-conference for Japanese and Taiwanese representatives in Japan, during which Chen equated the pan-blue's opposition to the arms package and the idea of ultimate unification with China as the result of cooperation between the KMT and Chinese Communist Party. ...

"The real reasons the bill is facing difficulty are that Ma cannot handle Soong nor reconcile the differences of opinion over the bill among KMT members, effectively passing the responsibility for its passage back on Chen Shui-bian. In point of fact, Ma hopes the sooner the bill is taken care of the sooner he can win U.S. trust and support. This was why on his trip to the U.S. in March of this year, Ma explained to U.S. officials that the KMT was not opposed to the arms procurement bill and assured them that it would be taken care of quickly. It's been six months since Ma's trip and there has been absolutely no progress made on the bill. In the eyes of U.S. officials, Ma's check bounced and it is unlikely that the bill has any chance to be passed before Taiwan's presidential elections in 2008. ... Stephen Young's 'fall deadline' is the U.S.' final ultimatum for Ma. Whatever angle you care to look at the issue, Ma has nothing left to force a showdown with the U.S., as the pressure to pass the arms procurement bill lies solely on his shoulders. The situation now is self-evident; Ma has until after the Taipei and Kaohsiung mayoral elections at the latest to produce some concrete results concerning the arms procurement bill. No matter whether the KMT comes out victorious or not in these elections, the road Ma has to tread will become more dangerous and the light guiding him will dim with each passing day."

#### C) "Criticism of AIT Director Unfounded"

Paul Lin, a political commentator based in Taipei, commented in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (11/6):

"... Do Young's comments really constitute interference in Taiwan's domestic affairs: The US' proposed arms sale is permitted under its Taiwan Relations Act. Taiwan has never objected to this, and in fact has strongly welcomed it. During its time in power, the Chinese Nationalist Party (KMT) bought much of the nation's weaponry from the US. ...

"How could this be construed as 'political interference?' Opposition politicians could always come out and say clearly that they don't want to buy the US' weapons and be done with it. But do they dare? In refusing to buy US arms, are they preparing to buy Chinese weapons instead, or perhaps getting ready to surrender to China?

..."  
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